Norwegian household data

28 August 2026

Stable household data

Today's releases of household data, including both retail sales and registered unemployment, were in line with our expectation. Retail sales ex. autos fell marginally in July, and the 3m/3m rate is pointing sideways. Registered unemployment was stable at 2.1% (SA), in line with our and Norges Bank's estimate. However, recent labour market data have been mixed, with LFS unemployment softening and employment data coming in a tad stronger. To conclude, the labour market appears in balance and capacity utilisation broadly unchanged. We emphasize that upcoming inflation data and regional network report will be decisive for Norges Bank, ahead of its rate decision Sep 24.

Details

Retail sales ex. autos: Retail sales ex. autos fell by 0.7% m/m in Jul, following an increase of 1.6% m/m in in Jun (revised down from 1.8% m/m). The 3m/3m rate remains negative though dipped further down to -1.3%. The large sector, sales in non-specialized stores (predominantly food etc.), posted a decline (-0.3% m/m) as well as other household equipment related to furniture and electrical appliances (-0.9% m/m). Meanwhile, the large other goods sector cushioned the overall decline (1.8%m/m). Depressed consumer confidence and expectations of rate hikes underway should dampen consumer spending, although positive real wage growth is mitigating parts of these downside risks. Retail sales data remain volatile and should be interpreted with caution.

Monthly data releases of household goods consumption, which feeds into GDP, have been postponed indefinitely due to a larger benchmark revision. However, looking at data derived from retail sales shows some divergence. The broader "other goods" category posted a 0.5% m/m rise, while consumption of "food, beverages and tobacco" fell 0.4% m/m. Auto purchases fell sharply. Overall, data derived from retail sales is pulling in opposite directions for goods consumption but overall appears neutral.

Registered unemployment: The unadjusted jobless rate was stable at 2.1% in Aug. The seasonal-adjusted unemployment rate was also unchanged at 2.1%, despite a marginal increase of around 100 fully unemployed persons, bringing the total to 62.8k. Norges Bank had expected an unemployment rate of 2.1% in Aug and Sep, and noted in its August policy meeting that registered unemployment in not high nor low. Overall, the unemployment rate is now in line with Norges Bank's assessment of a neutral level as it considers NAIRU at 2.1%.

Part-time unemployed increased 0.1ppt to 0.7% while people on employment schemes were stable at 0.8% of the labour force. Details show that most sectors saw a marginal increase in Aug, though unemployment levels rose most among child- and youth care (3.5%). Meanwhile, unemployment remains lowest within academic professions (1.0 %).

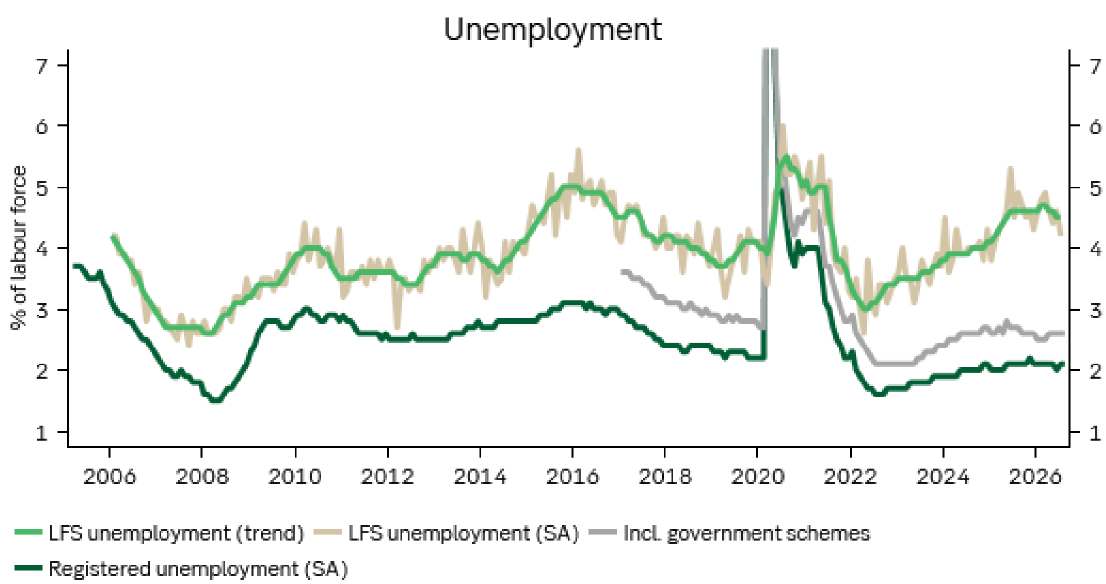
New registered job vacancies were 30.6k in Aug, which is -1.7% lower compared to the corresponding month last year. Demand for labour remains high, though there was a large decline in new registered vacancies within industry-related work and travel and transportation (both fell 23% y/y). Most new job vacancies were registered within health & personal care (7.1k) followed by retail and sales (4.1k) and other work (2.8k). However, the broader trend is still sideways and pointing to a stable labour market.

The LFS unemployment rate was stable at 4.5% (trend) in July, after a -0.2pp revised 4.5% in June. LFS unemployment has been stable for a longer period, but the recent decline relates to labour force participants between 15-24years exceedingly finding work. Youth unemployment has fallen 0.6pp since the beginning of the year, and the employment rate among the same group have risen steadily in the same period.

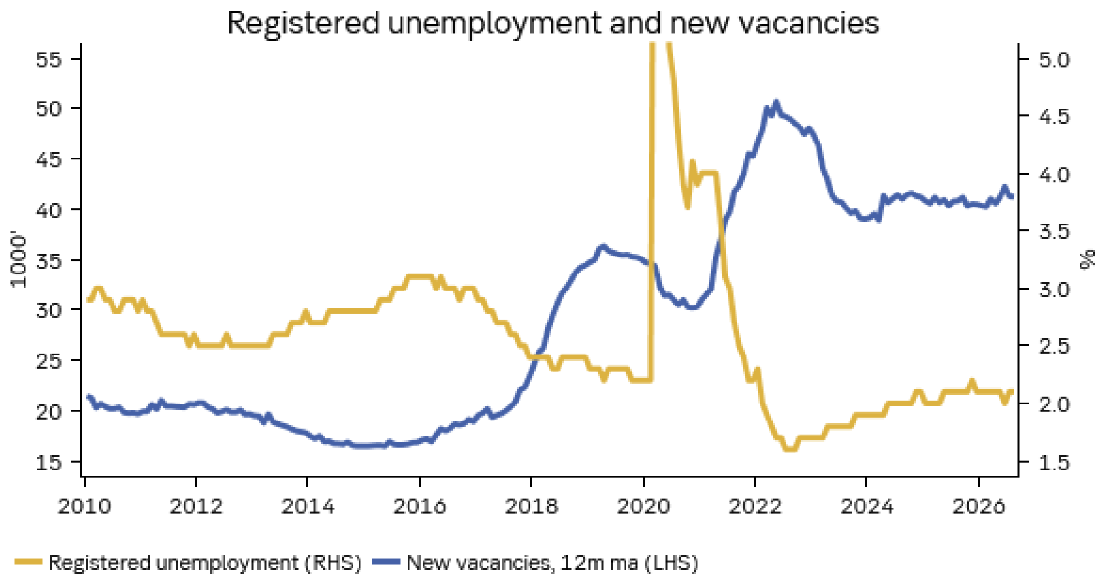
Implications Norges Bank:

Norges Bank had expected a stable unemployment rate at 2.1% in August and for the jobless rate to remain at this level in the short term. Looking further ahead, unemployment is projected to rise with the full-year rate averaging 2.3% in 2027 and 2.4% in 2028, implying a wider unemployment gap given the estimated NAIRU of 2.1%. New registered job vacancies rose previously, while have since retraced this and the trend remains flat. Lately recent labour market indicators have deviated somewhat, where the LFS unemployment ticked down 4.5% from having been stable at 4.7% for a longer period. Overall, Norges Bank overall assessment of capacity utilisation should be broadly unchanged.

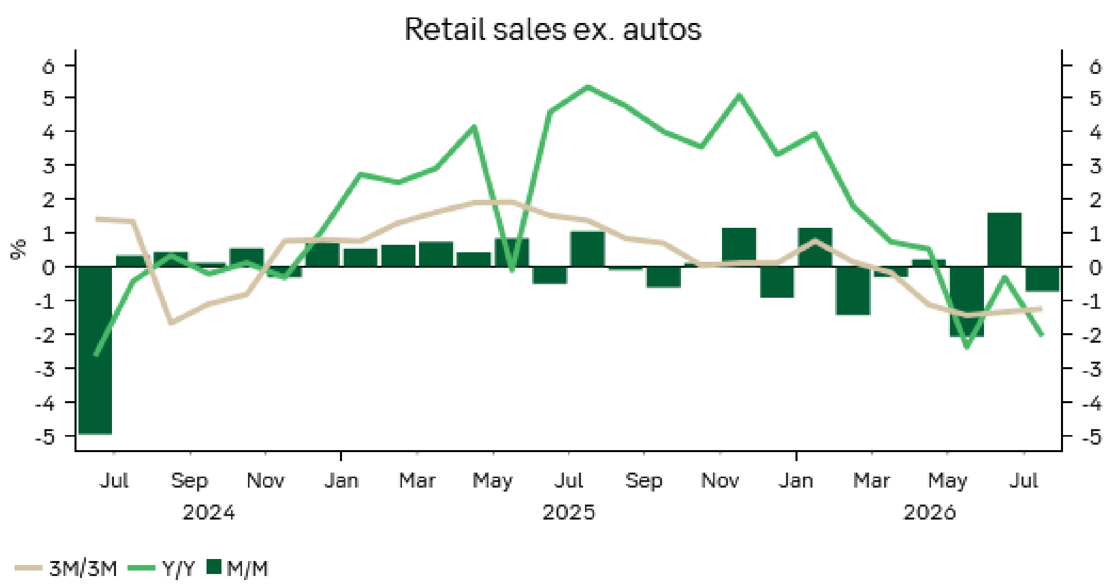
On the demand side, Norges Bank has revised down its outlook for household consumption, now expecting annual growth of around 1.6% in 2026. High borrowing costs will continue to weigh on consumption, although improving real wage growth is expected to support purchasing power and partly offset tighter financial conditions. Overall, household data appear to have developed broadly in line with Norges Bank's projections. Registered unemployment is in line with expectation and Norges Bank's assessment of overall capacity utilization should be broadly unchanged. The recent deviation from the dip in LFS unemployment alongside the stronger-than expected employment growth in Q2 has created some uncertainty. Nevertheless, the stable jobless rate at current level is in line with Norges Bank' assumption of a neutral level.



Source: NAV, Statistics Norway, Macrobond, SEB



Source: Bloomberg, Macrobond, SEB



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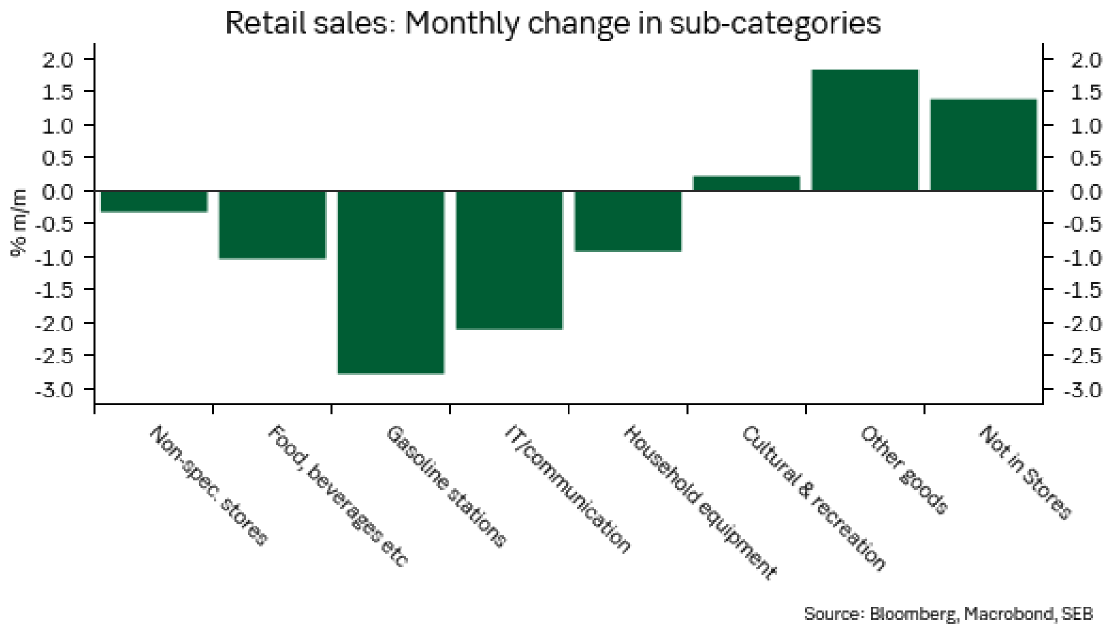

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